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Mutualism:

An American Strategy for the Next Century

by Hugh De Santis

President Clinton likes to talk about building bridges to the 21st century, but there is no construction gang on the scene. The truth of the matter is that, nearly a decade since the end of the Cold War, the United States is still without a blueprint for the future. From the Bush administration's vacuous "new world order" rhetoric to the "engagement and enlargement" effluvia of the Clinton administration, the United States has substituted slogans for strategy.

Such policy drift is partly attributable to post-Cold War complacency, and partly to the triumphalist belief in the march of liberal-democracy that permeates American foreign policy attitudes. There are, of course, differences in the way foreign affairs practitioners view the world. Neo-Wilsonians believe that a rational and educable world will eventually adopt the same values. Realists believe that the United States must exert its power and coopt others into joining international posses that the American sheriff would naturally lead. American nationalists, so-called neo-Reaganites, contend that the United States bears a special duty to create a peaceful and moral international order, while neo-isolationists—America Firsters, libertarians, pacifists—oppose the political and economic cost of an American empire.

On the surface, these options appear to be quite different, at least in terms of what is required of the United States. Upon closer examination, however, they are all variations of American exceptionalism, and they all depart from the same premises about the contemporary international environment as it has evolved since the end of the Cold War.

The Mythology of Unipolarity

Debate about the nature and implications of global change is bounded by two broad assumptions. First, despite the spread of liberal-democracy, the world is far more complicated, unpredictable, and dangerous than it was during the Cold War. Second, the maintenance of a peaceful and stable international system accordingly depends on the moral and political leadership, if not hegemony, of the United States. Of the two propositions, the first is unequivocally true. The assumption that it is up to the United States—the world's "superpower"—to maintain peace and order in a potentially turbulent world is dubious.

The United States has been the stabilizing force in the transition from the bipolar order to the current messy multipolarity. It was the United States that rescued Kuwait from the clutches of Iraqi expansionism, produced the Dayton accords, and bailed out Mexico in 1995, and it is the United States that is taking the lead in addressing the global financial crisis.

But the image of an American paladin is also the product of post-Cold War hype. Increasingly, language defines politics. From NATO expansion, to the containment of China, to the defense of human rights in Kosovo, it is the rhetoric of unipolarity and superpowerdom that drives policy and supplies its content. Politically, the United States assumes leadership because political leaders believe the world will plunge into chaos without it; psychologically, because it strokes the nation's vanity.

America's friends and allies contribute to the hype. Although foreign governments may privately grumble about American hegemony, they happily defer to American power in times of crisis, as they did during the Cold War, because they expect the United States to come to their aid if things go wrong.

Post-Cold War U.S. global leadership is further reinforced by the myth of American exceptionalism. The original Puritan settlers and their descendants believed that they were "chosen" by God to build a community that others would emulate. Their descendants were uniformly convinced "that the entire past of the human race was only preparation for the appearance of American society."

In the aftermath of bipolarism, the same religious view inspires contemporary approaches to foreign policy, all of which aim to universalize the American liberal-democratic experience. The political and moral bankruptcy of communism and the perceived collapse of the Asian economic model as a substitute for free-market capitalism have rehistoricized the American national experience and the values and beliefs that underlie it.

Such a self-image, however, obscures the reality that we are also part of a larger process of global change that is altering our lives as well. The world is a long way from the Promised Land of liberal-democracy. Meanwhile, as the bloom on international stock markets fades and global economic output contracts, the world may not look as Americanizable as it once did. But even if such disturbances turn out to be temporary interruptions of economic growth, it is unrealistic to believe that we are headed for a second American century, never mind an American empire.

First, in contrast to its economic dominance following World War II, the United States no longer possesses the resources to fix the world's problems. Despite its recent economic vigor, its current share of world production is somewhere around 20 percent, it suffers from a massive trade imbalance, its gold reserves are roughly half that of the European Union (EU), and it is the world's largest debtor nation. Although there have been gains in worker productivity, the factors that powered the economic boom of the 1990s—corporate downsizing, computerization, reduced health-care costs, and a strong dollar—are not likely to be sustained. Nor is America's ability to police the world, the Clinton administration's belated defense budget build-up notwithstanding.

Second, the image of global sheriff has not resonated with the American public—an increasing hodge-podge of special interest groups. Although there is widespread support for the promotion of liberal-democratic values, NATO, and, as the polls reflected in the 1998 crisis with Iraq, selective military strikes, the public remains generally opposed to American intervention to resolve disputes in faraway places that are perceived to be removed from the daily concerns of Americans.

Third, absent a global threat to peace, the United States is likely to find it increasingly difficult to marshal international support for its policies. Examples include the opposition of the United Nations and key European allies to Washington's contemplated use of military force against Iraq in 1998; and, the initial reluctance of the European allies to employ force against Serbia because of its actions in Kosovo. The reality is that other nations will not replicate American ways, much less rubber stamp policy

initiatives that they judge to be antithetical to their interests. The more the assistance of other states is required to implement U.S. policy initiatives, the more they will demand a voice in the formulation of policy.

The Concept of Mutualism

If the world is truly changing, as policymakers say it is, and if no nation, including the United States, possesses the resources to solve or even manage the array of global problems that lie ahead, we may have to adopt new policy orientations, including a non-American-centered framework that I call *mutualism*.

Mutualism is an interest-based rather than a norm-centered concept of international relations. It emphasizes regional rather than global approaches to international cooperation, recognizes the continued importance of the nation-state, and is *ipso facto* a non-hegemonic approach to international security. Its relevance to the policymaker can be ascertained by considering its applicability to the emerging economic, social, cultural, and politico-military trends that are shaping the landscape of the next century.

The Global Economy

Increasingly, we live in a world of borderless economies. Developments in one area affect the lives of people everywhere. In the interaction among businesses as well as governments, the 19th century utilitarian belief that the selfish pursuit of individual interests contributed to the good of the whole society is giving way to the view that individual interests are more likely to be achieved through cooperative undertakings.

This is no abstract concept. Mutualism is evident in the privatization of state-owned enterprises, in the streamlining of businesses, and particularly in the pace of mergers and acquisitions. Business consolidations and alliances highlight the fact that competition is becoming a function of the strategic choices that companies make. With few exceptions, corporations can no longer pursue a course that relies purely on the competitive forces of the market to set prices.

Increased competition and the unrestricted movement of capital also have made it impossible for all but a few countries to be self-sufficient. Governments have accordingly felt compelled to harmonize national economic policies. The European Monetary Union and the arrival of the *euro* exemplify this trend. Arguably, the success of Euroland may stimulate economic integration elsewhere, much as passage of the Single Act in 1986 and the road to Maastricht energized the formation of the Asia-Pacific Economic Cooperation Group (APEC), the North American Free Trade Association (NAFTA), and the Mercado Comun del Cono Sur (MERCOSUR), the Latin American common market.

To be sure, the financial crisis in East Asia, the collapse of the Russian *ruble*, and the devaluation of the Brazilian *real* have aroused understandable worries about the viability of economic interdependence. Still, the international financial crisis has not ended the trend toward regional cooperation. Prior to the financial crisis set in motion by Thailand's devaluation of the *baht* in July 1997, intra-Asian trade was 50 percent higher than a decade before. Although internal trade has since declined, APEC remains committed to the liberal "action agenda" that it announced at the Osaka summit in 1995, including the removal of trade barriers by 2020. In spite of the fallout from Asia, the 34 states that convened in April 1998 at the second "summit of the Americas" in Santiago continue to work toward the formation of a "free-trade area of the Americas" in 2005. Similarly in MERCOSUR, regional cooperation has weathered the Asian-Russian crisis.

For mutualism to work, however, national governments need to be more far-sighted in the formulation of economic policy and more flexible in its implementation. Rather than rely on self-correcting market mechanisms, central banks and international institutions such as the International Monetary Fund will need to relax fiscal austerity requirements to ensure that borrowers and investors have access to credit and tolerate periodic deviations from economic orthodoxy such as the capital controls recently imposed by Malaysia.

Rich states also must be tolerant of temporary impediments to trade resulting from regional integration. The United States has been concerned about the potential trade-distorting consequences of MERCOSUR. Such consequences are a small price to pay for new and vibrant markets that will increasingly absorb high value-added imports, as the history of European integration since the Treaty of Rome in 1957 abundantly demonstrates.

The creation of a mutually beneficial international economic order requires a concomitant commitment on the part of developing countries. It is equally in their long-term interest to eliminate trade-impeding concentrations of economic power, prevent corruption, and comply with rulings by the World Trade Organization.

Finally, "rules of the road" are needed to lessen the frequency and gravity of financial upheaval and to contain the greed and excesses of an unfettered market.

Clearly, economic interdependence will necessitate policy accommodations, especially by the United States. Mindful that its economic and political interests are interconnected, the United States is likely to limit the use of sanctions in the future to cases that enjoy international support. Interdependence will also alter American leadership of the world economy. If economic and monetary integration succeed, the European Union will share in running the international monetary system with the United States. The emergence of the *euro* as an alternative reserve currency will not only help countries that trade with Europe to stabilize their exchange rates, it will also lessen America's burden of being the central banker for the world.

Social Inclusivism

Mutualism implies the creation of more inclusivist national and regional communities. Greater inclusiveness will enhance the productive capacity of societies and reduce the likelihood of social violence by those who have not benefitted from the process of globalization.

Because the fruits of economic growth will not be evenly distributed by the workings of the free market, national political leaders will need to harmonize conflicting interests among competing elements of society. To avert the social cleavages that may result from economic insecurity, governments will need to provide social subsidies for the disadvantaged (unemployment insurance, pensions, medical care, and education and technical training credits).

Governments, however, must be able to afford the cost of social programs. Without increased productivity, the cost of maintaining an ever-widening social net would eventually become prohibitive. Soaring welfare costs will not only inflate budget deficits, they will also lead to higher labor costs and job flight. The investment of public funds in education and job retraining programs will help to ease the social burden. The relocation of workers to expanding labor markets will also help. So will changes in welfare legislation that reduce state benefits for part-time employment.

The benefits of giving more people a stake in a shared future will also pay international dividends. Excluding entire societies from the process of global modernization increases the risk of ethnonationalist violence, terrorism, and warfare. It will be in the interest of rich states to encourage countries on the socioeconomic periphery to actively participate in regional social and economic integration, as the EU has done and as Mercosur is doing.

In the long term, the development of cohesive regional communities will improve the prospect of managing international social problems that globalization has exacerbated—migration, environmental decay, drug abuse, the spread of infectious diseases, terrorism. Aid-arms swaps might offer social and economic assistance to poor states to curtail costly military programs. Aid-nature swaps might similarly improve the chances of preserving the global ecology—the modernization of an industrial plant, say, for reduction in greenhouse gases.

Cultural Tolerance

Social and economic integration cannot be sustained without the constructive participation of the diverse cultures that comprise them. National and international cohesion requires sensitivity to different cultural traditions, mores, and values.

The revolution in communications and transportation has accelerated the flow of people across borders, a mirror image of the widespread movement of capital and ideas. To preserve their cultural identity, many societies tend to marginalize ethnic, linguistic, religious, and racial outsiders. But cultural parochialism deprives societies of the productive labor and creative energy of newcomers. It also creates separatist enclaves, inviting social upheaval and international conflict, as seen in the Caucasus, Central Africa, and in former Yugoslavia. Some societies, drawing a lesson from the remarkable American tolerance of diversity, may eventually conclude that the social and economic benefits of assimilating outsiders are likely to exceed the perceived loss of national homogeneity.

Cultural tolerance also requires an understanding of and respect for different values. It precludes political paternalism of the European colonialist type and the imperialism of ideas that we see from the United States. The force-feeding of American values as a condition of aid is viewed abroad as an arrogant intrusion in the affairs of other peoples. However ethical it may seem to us, it is frequently politically counterproductive. Besides, can Americans be certain that ours is the only path to a free and harmonious society? In a world of "value pluralism," to use Isaiah Berlin's term, we must all be tolerant of the political choices others make—choices, it should be emphasized, that are not God-given but are products of different cultural traditions and experiences.

Cooperative Security

Because the world's wealth, power, and status will not be proportionately distributed among its constituent nations, challenges to the existing order of the international system are likely to recur. In the post-Cold War euphoria, international opinion counted on the United Nations to be the guardian of world peace. Resource constraints, conflicting national interests, and ill-defined objectives have limited United Nations peacekeeping effectiveness. So the international community has come to rely on the United States. But the United States lacks the resources and the public will to do the job indefinitely. If neither the UN nor a U.S. security stewardship is possible, then peace must become the shared responsibility of small groups of states, pledging to maintain order in their regions.

In the security context, mutualism recognizes that those states which have the most to lose from the breakdown of order in their neighborhood have the greatest incentive to preserve order. Thus, logic and equity dictate that European states should bear the burden of establishing order in their region, starting with the former Yugoslavia. Once the Asia-Pacific states regain their economic momentum, they should likewise begin to develop security structures in APEC and the Association of Southeast Asian Nations that could link Northeast and Southeast Asia.

When regional or subregional security organizations lack the political will or the military muscle to contain destructive actions, they may request help from outsiders. This was the case with the European allies, who were able neither to inhibit nor contain the warfare that resulted from the unravelling of Yugoslavia, and with the Gulf Cooperation Council, following Iraq's invasion of Kuwait.

Some regional conflicts may threaten the well-being of the larger international community. Iraq posed such a threat in 1990. One could imagine a crisis of similar magnitude if Beijing interdicted international access to the South China Sea, or if tensions over the control of energy resources in the Central Asia-Caucasus-Caspian Sea region led to a Russo-Iranian-Turkish war. Nominally, the responsibility for redressing such disruptions would come under the purview of the United Nations. But the real decisionmaking authority would be wielded by a UN International Security Directorate (ISD), which would have five permanent and five rotating members.

Most conflicts will not challenge regional stability, let alone pose a threat to world peace. As the unrest in Somalia, Rwanda, and Tajikistan illustrate, violence most often results from tensions associated with nation-building or from unresolved ethnic rivalries. When states are incapable of managing their own affairs, and when UN mediation fails, the international community might be forced to establish some form of trusteeship to be administered by regional actors.

Return to the Future

Whatever path we take into the future, the complex problems posed by globalization will require a multilateral approach to statecraft, namely, what I have dubbed *mutualism*. Eventually, Americans will have to abandon the fantasy that they are a society that is in but not of this world and come to terms with the reality that their fate is inextricably intertwined with that of other peoples.

America's allies and friends will also have to participate in the process. Until now, their expectations of a Pax Americana have fostered an attitude of complacency. But today, no one can have it both ways. Key actors in every part of the world will be forced to play a more active role in preserving international stability, partly because it is in their interests to do so, and partly because they can no longer depend on the United States to perform this task for them. Fortuitously, the growth of regional political and economic cooperation in Europe, East Asia, and the Americas may be a harbinger of the future. For regional integration will also contribute to security cooperation and, in so doing, increase the likelihood that America's allies and friends will respond to the global challenges that lie ahead as real, rather than, artificial partners.

Hugh De Santis is professor of international security policy at the National War College, National Defense University, and is a former career officer in the State Department. He is the author of *Beyond Progress: An Interpretative Odyssey to the Future* (University of Chicago Press, 1996).

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